

October 26, 2007

Commissioner Cheryl Musgrave
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Dear Cheryl,

Our ratio study was submitted to the DLGF on August 14, 2007. I am now sending this letter to explain how Dubois County adjusts its values annually.

I would like to tell you first that we only had one hundred fifty (150) real property appeals. While there was a lot of grumbling about taxes in the community, when we sat down and explained the market system to people, most were satisfied with their assessed values and thought they were fair. It was the tax dollars they weren't happy with. All appeals have been settled with the exception of one (1) homeowner that is appealing to the state and one (1) appeal that is pending at the State level.

Residential Property:

Reassessment – Currently nine (9) out of twelve (12) townships have been reassessed. This is a drive by to check for errors in data and new construction. The remaining three (3) townships are in the process of being reassessed. All other areas have been analyzed by conducting a sales ratio study, and a trending factor applied if needed.

Sales Disclosures – We have on average nine hundred sixty (960) sales disclosures per year. This is a starting point for evaluating our market, and is proving to be enough to establish a good base of market valuation. We have a few unique situations in Dubois County. In some of the townships while it looks like a lot of transfers happen, in reality these pieces of improved/unimproved property transfer and sell to family members and aren't available to the general public. One homeowner we spoke with had to sign a pre-nuptial agreement that if she ever divorces her husband she has no claim to the land or any buildings. In this tight knit community, this happens a lot more than one would think. So we spend a lot of time talking to the sellers and buyers, validating sales, and learning where the market is heading. In areas where we have very few sales we go back in years to obtain more sales, plus we talk to the local real estate appraisers to gain more information on value. On residential rental property we have collected income and expense information to establish a GRM, and cross checked our values using this information.

Appeals – During the appeal process we have had appeals that have shown that certain areas need to be totally reassessed. We then re-look at every property in that area and establish new market values based on the new data collected. We collected a data base of rental information through the appeal process. This information has been used to cross check values of all rental properties in the county.

MLS – We use the Homes for Sale publication, talk to realtors, MLS, and Loop Net sales as review tools in conjunction with sales disclosures.

Permits – Currently in Dubois County only the cities of Jasper, Huntingburg, and Ferdinand, and areas within a two mile jurisdiction require permits. The city of Jasper has the only permit system that estimates building costs. In other townships, assessment registrations are filed with the county or township assessors. These also show construction costs which are verified. All these new construction costs are collected and have been used to check our cost tables. We find that the tables at least for now are accurate.

Commercial/Industrial Property:

Reassessment – Currently nine (9) out of twelve (12) townships have been reassessed. This is a drive by to check for errors in data and new construction. The remaining three (3) townships are in the process of being reassessed. All other areas have been analyzed by conducting a sales ratio study, and then a trending factor applied if needed.

Appeals – All data collected in hearings has been reviewed and relevant information has been added to the data base being used. Appraisals submitted to the County have been reviewed by a MAI. We currently have submitted one appraisal to the real estate board due to defects in the appraisal. Income and expense information has been compiled and used to verify values on similar properties.

Sales Disclosures – We have had adequate sales in the municipalities to arrive at a base land rate for the 2006 Trending. This analysis showed that more neighborhoods needed to be created and redefined. This is exactly what happened. Now with 2006 sales coming in, there was no indication of change in these defined neighborhoods. The downtowns of Jasper and Huntingburg have been analyzed by using sales from 2000 to 2006. This has showed us how the market is changing over a period of time, more than a two year period as requested by the state guidelines. Since there is always a shortage of commercial and industrial sales in a small community, we have compiled a spreadsheet of sales in a five (5) county area around Dubois. The sales have been broken down by use and give us a strong base of selling price per square foot to verify all commercial and industrial properties.

Income Approach - Income and expense information has and is still being collected. This has been used to verify our cost and market values. For 2008 Trending, we will be using an operating system developed by Tyler Technologies! CLT Division to take income and

expense information that has been collected to develop a true income valuation for all commercial and industrial properties electronically.

Again we have a unique situation concerning vacant commercial/industrial land. Most land available for sale is in row crop. When a commercial/industrial user purchases this land, it is kept in crops until they break ground, which could range from months to years. Without any zoning restrictions and based on the current guidelines, this land has to be assessed as agricultural land until the crops are removed. This leads to very few valid vacant commercial/industrial land sales. However, this information is used to help develop land rates in the county for commercial and industrial properties.

Sincerely yours,

Gail Gramelspacher
Dubois County Assessor

cc: Barry Wood